

\$2,246m HK capital put into Indonesia

HONGKONG'S industrialists have channelled investments to Indonesia to the tune of \$2,246 million during the past eight and a half years, according to statistics released yesterday by the Indonesian Consulate General here.

The figure far exceeded the total amount of investment Hongkong put into Taiwan, which was \$750 million during the last twelve and a half years since 1952.

Mr Maksoem Effendi, the Indonesian consul, expects Hongkong's investment in the country to grow in the region of 25 per cent compared with the record achieved in 1974.

During the past eight and a half years, Hongkong was the second largest investor in terms of money and third in terms of projects submitted to the Indonesian government.

During the period, a total of 113 from Hongkong cases were approved by the Indonesian government out of the total of 778 cases approved. It closely followed projects of Japan and the United States.

The number of investment projects from the US since 1967 to the second half of this year, amounted to 124 and Japan 118.

At the same time, Hongkong was the second largest investor in the country in terms of value after Japan's \$5,585.5 million. A total of \$19,721 million poured into the country during the eight and a half years period.

Mr Maksoem pointed out that Hongkong manufacturers have been actively participating in the

years. Substantial investment light and medium heavy industries of Indonesia during the last decade, especially in the last few and technical know-how were poured into the developing Indonesian industries particularly textile and electronic industries, he pointed out.

DEMAND

As the Indonesian government introduced new legislation in prohibiting domestic premises to accommodate commercial and industrial establishments by 1976, Mr Maksoem believed the legislation could create a substantial demand for this type of premises in the next few years.

Investment opportunities in the particular sector of building and construction would be of interest to Hongkong real estate developers and building

contractors and professionals in the field, he remarked, as the Indonesian government is aiming at tapping technical know-how from overseas.

Products resulting from Hongkong's investments, particularly the textile sector, were marketed both in Indonesia and exported overseas to other outlets which imposed heavy trade restrictions on Hongkong's textiles.

Some Hongkong textile manufacturers are currently enjoying taxfree quotas or low tariff with their Indonesia-made textile products in markets such as the European Economic Community and other member countries of the General Agreement of Tariff and Trade.

Because of the world recession, during the first half of this year only one investment from Hongkong was recorded. This amounted to \$15 million.